

EXHIBIT 13

Writer's Direct Number:
410-244-7725

September 4, 2020

VIA OVERNIGHT AND ELECTRONIC DELIVERY

Chatsworth Realty Corporation
c/o H F Z Capital Group LLC
600 Madison Avenue, 15th Floor
New York, New York 10022
Attention: Ziel Feldman
Email: zfeldman@hfzcap.com

Ziel Feldman
c/o H F Z Capital Group LLC
600 Madison Avenue, 15th Floor
New York, New York 10022
Email: zfeldman@hfzcap.com

HFZ 344 West 72nd Street LLC
c/o H F Z Capital Group LLC
600 Madison Avenue, 15th Floor
New York, New York 10022
Attention: Ziel Feldman
Email: zfeldman@hfzcap.com

Helene Feldman
c/o H F Z Capital Group LLC
600 Madison Avenue, 15th Floor
New York, New York 10022
Email: zfeldman@hfzcap.com

H F Z Capital Group LLC
600 Madison Avenue, 15th Floor
New York, New York 10022
Attention: Nir Meir
Email: nir@hfzcap.com

Re: Loan in the maximum principal amount of \$152,000,000.00 (the “**Senior Loan**”) to HFZ 344 West 72nd Street LLC (“**Borrower**”), which Senior Loan is currently held by SPT Real Estate Capital, LLC (“**Lender**”) and is evidenced by (i) that certain Loan Agreement dated as of December 31, 2012, as amended by the First Omnibus Amendment to Loan Documents dated as of January 28, 2016, as further amended by the Second Omnibus Amendment to Loan Documents dated as of March 22, 2017, as further amended by the Third Omnibus Amendment to Senior Loan Documents dated September 27, 2018, and as further amended by the Omnibus Modification Agreement for Senior Loan, Mezzanine Loan and Unsecured Loan dated as of December 30, 2019 (collectively, the “**Senior Loan Agreement**”) and (ii) those certain Promissory Notes dated as of December 31, 2012, in the original principal amount of the Senior Loan (the “**Notes**”), and secured by, among other things, (i) that certain Pledge and Security Agreement dated as of March 22, 2017 (the “**Pledge**”) and (ii) that certain Guaranty Agreement dated as of December 31, 2012 (the “**Guaranty**”) and that certain Mandatory Purchase Guaranty dated as of September 27, 2018 (the “**Mandatory Purchase Guaranty**”) and executed by Ziel Feldman, Helene Feldman and H F Z Capital Group LLC (collectively, the “**Guarantors**”); the Notes, the Pledge, the Senior Loan Agreement, the Guaranty, the Mandatory Purchase Guaranty and all other documents evidencing or securing the Senior Loan shall hereinafter collectively be referred to as the “**Senior Loan Documents**”

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Ladies and Gentlemen:

I write on behalf of SPT Real Estate Capital, LLC, as Lender, in regard to the above-referenced Senior Loan with respect to the existence of one or more defaults and certain corresponding Events of Default, all as described more specifically below. Reference is hereby made to the Senior Loan Agreement. All capitalized terms used herein but not otherwise defined herein shall have the meaning ascribed to them in the Senior Loan Agreement.

You are hereby notified that an **EVENT OF DEFAULT** has occurred under the terms of the Senior Loan Documents by virtue of the Borrower's failure to pay the outstanding principal balance of the Notes, together with all accrued and unpaid interest thereon and all other sums due under the Senior Loan Documents, on January 31, 2020, the Modified Maturity Date (the "**Senior Maturity Default**"). **DEMAND IS HEREBY MADE** for the payment of all unpaid amounts now due and owing.

Be advised that as a result of the Senior Maturity Default, and in accordance with that certain Omnibus Modification Agreement for Senior Loan, Mezzanine Loan and Unsecured Loan date December 30, 2019 (the "**Omnibus Agreement**"), Guarantors' liability under the Mandatory Purchase Guaranty has been triggered as a result of the existence of a Mandatory Purchase Event of Default.

In addition, Borrower's affiliates, HFZ 344 West 72nd Street Mezz LLC (the "**Mezzanine Borrower**") and HFZ 344 West 72nd Street Holdco LLC (the "**Unsecured Borrower**"), have also failed to pay in full the amounts due under the Mezzanine Loan Documents and the Unsecured Loan Documents, respectively, on January 31, 2020. The failure by the Mezzanine Borrower and the Unsecured Borrower to pay their loans in full on the Modified Maturity Date constitutes an additional **EVENT OF DEFAULT** pursuant to Section 8.1(a)(xxxiii) of the Senior Loan Agreement (the "**Related Maturity Defaults**") and together with the Senior Maturity Default, the "**Maturity Defaults**").

In addition to the Maturity Defaults, Section 5.1.49 of the Senior Loan Agreement provides that "[a]ll closings on a Mandatory Purchase Unit must occur prior to the end of the second calendar month succeeding the month in which Borrower failed to meet the Applicable Monthly Sales Hurdle" In accordance with Section 5.1.49, Borrower selected Units 301, 1101 and 1208 as the Mandatory Purchase Units with respect to the Applicable Monthly Sales Hurdle for April of 2019 (the "**April MPUs**"). The deadline to close on the April MPUs was originally June 30, 2019, but was twice extended by letter agreement until December 19, 2019, and further extended until January 22, 2020 by the Omnibus Agreement.

As of the date of this letter, Borrower has failed to close on the sale of the April MPUs. In accordance with the terms of the Omnibus Agreement, the default resulting from the failure to timely close on the sale of each of the April MPUs has resulted in the occurrence of a Mandatory Purchase Acceleration Event, triggering Borrower's obligation to close on the sale of all Unsold

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Units within forty-five (45) calendar days. As reflected on **Schedule A** attached hereto, as of the date of this letter, eleven (11) units remain as Unsold Units. Lender is not aware of the existence of any Qualified Unit Sales Contracts, such that Lender hereby demands that Borrower close on the sale of each of the Unsold Units within forty-five (45) days of the date of this letter. Failure to do so will result in an additional Mandatory Purchase Event of Default under the Mandatory Purchase Guaranty.

In addition to the Mandatory Purchase Acceleration Event, the Borrower has also failed to timely issue the Take-Down Notice, as prescribed by Section 5.1.49(b) of the Senior Loan Agreement, with respect to the Applicable Monthly Sales Hurdle for the months of May of 2019, June of 2019 and July of 2019 (collectively, the “**Required Take-Down Notices**”). Pursuant to Section 8.1(a)(xxxv), Borrower’s default under Section 5.1.49 of the Senior Loan Agreement with respect to each of the Required Take-Down Notices constitutes a separate Event of Default under the Senior Loan Documents (the “**Take-Down Notice Events of Default**”).

Based on the existence of the Maturity Defaults, the Mandatory Purchase Acceleration Event and the Take-Down Notice Events of Default, be advised that (i) interest is accruing on the Senior Loan at the Default Rate in accordance with Section 2.2.5 of the Senior Loan Agreement; (ii) Borrower is responsible for all of Lender’s fees, costs and expenses, including reasonable attorneys’ fees, which continue to accrue; and (iii) Lender will take any and all actions it deems necessary and/or appropriate to protect and preserve the collateral, as well as actions to recover all amounts due and owing to it under the Senior Loan Documents.

In addition to the foregoing Events of Default, Borrower also failed to remit the Required Monthly Debt Service Payment Amount on or before the first day of each month in September, October, November and December of 2019, and in January of 2020 as required by Section 2.2 of the Senior Loan Agreement, while the Mezzanine Borrower also failed to pay the interest on the Outstanding Principal Balance (as that term is defined in that certain Mezzanine Loan Agreement dated as of December 31, 2012, as amended) due on its loan for that same time period. As of the date of this letter, the total amount due and owing prior to the Modified Maturity Date was **\$1,801,074.49** plus attorneys’ fees, which continue to accrue (collectively, the “**Debt Service Amounts**”), which can be broken down as follows:

September 2019	Senior Loan Interest	\$338,631.13
	Mezzanine Loan Interest	<u>\$ 71,519.62</u>
	Total	\$410,150.75
October 2019	Senior Loan Interest	\$307,624.47
	Mezzanine Loan Interest	<u>\$ 66,344.70</u>
	Total	\$373,969.17

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November 2019	Senior Loan Interest	\$313,825.27
	Mezzanine Loan Interest	<u>\$ 68,456.23</u>
	Total	\$382,281.50
December 2019	Senior Loan Interest	\$274,824.92
	Mezzanine Loan Interest	<u>\$ 62,540.95</u>
	Total	\$337,365.87
January 2020	Senior Loan Interest	\$241,619.60
	Mezzanine Loan Interest	<u>\$ 55,687.60</u>
	Total	\$297,307.20

Demand is hereby made for payment in full of the past-due Debt Service Amounts. Please be advised that, pursuant to Sections 8.1(a)(i) and 8.1(a)(xxxiii) of the Senior Loan Agreement, the failure to pay the outstanding Debt Service Amounts to Lender within five (5) Business Days of the receipt of this letter shall constitute an additional Event of Default under the Senior Loan Documents.

By reason of the above Events of Default, Lender is entitled, in its sole discretion, to exercise certain rights and remedies under the Senior Loan Documents. Notwithstanding the exercise of the foregoing rights or the commencement or continuation of discussions or negotiations, the acceptance of payments, or the postponement or delay in taking action or exercising rights or remedies, Lender has not and does not waive the existence of the defaults referred to above or waive the existence of any other defaults which may exist. Lender shall not be limited or restricted from enforcing any rights or remedies available to it, including, without limitation, commencing foreclosure proceedings, seeking the appointment of a receiver to collect rents and profits, or otherwise administer the collateral.

No negotiations, making or acceptance of payments, delay in making demand or enforcing rights or remedies, or other action or inaction undertaken pursuant to this letter or under the Senior Loan Documents shall constitute a waiver of Lender's rights at law or under the Senior Loan Documents unless specifically stated in a written agreement signed by Lender.

Should you have any questions regarding the past-due Debt Service Amounts, please contact the Asset Manager, Jay Cowart, at 678-331-4631 or jcowart@Starwood.com.

Very truly yours,



Gregory A. Cross

cc: Jay Cowart (*via electronic delivery*)

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HFZ 344 West 72nd Street LLC (*via electronic delivery and overnight mail*)
c/o H F Z Capital Group LLC
600 Madison Avenue, 15th Floor
New York, New York 10022
Attention: John Shannon
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Norton Rose Fulbright US LLP (*via electronic delivery and overnight mail*)
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Attention: Jill D. Block
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Sean M. Garahan (*via electronic delivery and overnight mail*)
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31 West 52nd Street
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BADOCs/49651472

Chatsworth
Unsold Units as of August 1, 2020¹

1. A-TH
2. A-6A
3. A-PH
4. TH2
5. TH3
6. 301
7. 1101
8. 1208
9. PH-East
10. PH-West
11. SL008, SL009 and 1R are to be combined to create TH1

¹ In addition to the Unsold Units, Unit 1F is a rent stabilized unit and Unit 001 is designated as the Superintendent's unit.